

Docket No.: 00-0802
Bench Date: 11-07-01
Deadline: See below

M E M O R A N D U M

TO: The Commission

FROM: Larry Jones, Administrative Law Judge

DATE: October 25, 2001

SUBJECT: Central Illinois Public Service Company (AmerenCIPS) and
Union Electric Company (AmerenUE)

Request for approval of revisions to delivery services tariffs,
and for approval of Delivery Services Implementation Plan
for Residential Customers.

STATUS: A proposed order was issued on September 20, 2001 and a
copy of it was distributed to Commissioners on that date.
Exceptions were submitted, and replies to exceptions were
filed October 19, 2001.

RECOMMENDATION: Entry of the attached post exceptions proposed order
("PEPO").

In this proceeding, Ameren proposes revisions to its delivery services tariffs. Among other things, delivery services would be made available to residential customers. Pursuant to 16-104(a)(4) of the Act, such services must be offered before May 1, 2002. Under 16-108(b), an order must be entered at least 30 days before the date on which the delivery services must commence. Under 16-105, the implementation plan is to be approved at least 60 days prior to the commencement date. In its filing, Ameren also seeks approval of proposed Rider SG which is intended to apply to the provision of standby delivery service to self-generation customers.

Many issues were resolved by the parties during the course of the proceedings. Issues which remain contested include the recoverability of various expenses, such as those associated with the Company's incentive compensation plan, ARES Business Center labor, and employee benefits. Other contested issues involve the allocation of distribution costs; the pricing provisions of "Rider ISS - Interim Supply Service" for residential customers; and Rider SG.

I would note that for each contested issue, the conclusions in the proposed order contain a recap of the nature of the issue and of the parties' positions, along with the proposed order's analysis in support of the conclusion recommended therein.

Conclusions on contested issues are on pages 17-19 for the incentive compensation plan; pages 23-24 for the ARES business center labor adjustment; pages 26-27 for the employee benefits expense adjustment; pages 41-42 for cost allocation issues; pages 49-50 for Rider ISS; and pages 69-71 for Rider SG. Conclusions on cost of capital are on pages 32-33.

A description of exceptions and replies, as well as all other additions and revisions made in converting the proposed order into a PEPO, are identified in legislative style. The bottom line determinations recommended in the PEPO are substantially similar to those recommended in the proposed order.

LJ/lw